

TELEGRAM

Foreign Service of the
United States of America

#3 THURSTON INCOMING

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PODST

FROM: WASHINGTON

NO : PODST 157, Feb. 15, 4PM

PRINCIPAL OFFICER'S DAILY SUMMARY (background information only)

1. Gronchi and Khrushchev discuss East-West problems-Italian Foreign Office has informed Embassy Rome Khrushchev told Gronchi during recent Moscow visit that East German State (GDR) exists and should be recognized and that all of Berlin should be incorporated into GDR. He contended, however, USSR had persuaded GDR to agree West Berlin be made "Free City" with Soviet control over access routes, on which USSR prepared to give appropriate guarantees. Khrushchev added inclusion of East Berlin in "Free City" unacceptable as it would mean liquidation of "Socialist" regime there, and USSR will not agree to any measures cancelling "Socialist" gains. Soviet leader agreed it was important to get on with disarmament, but if West trying to give it precedence over German question as trick to maintain status quo, he would not fall into trap. Italian delegation informed Thompson, meanwhile, that Gronchi gave spirited defense of Western position on Germany and Berlin, insisting on self-determination. Thompson finds effect on Khrushchev of Gronchi's strong stand salutary.

2. Soviets's comment on US threshold proposal-Soviet test-talks. Delegates told Western newsmen February 12 West would be wasting time to wait for Soviet position on US threshold proposal to change. At same time, he indicated there might be possibilities inherent in proposal if it were coupled with moratorium on testing under threshold. Soviets also noted US proposal of twenty inspections annually was too high.

3. French stand on Bizerte elaborated-Embassy Tunis has learned from French Embassy there French note on Bizerte base (POBST 153/2) contained, in addition to France's historical legal case, following points: 1) US action in Morocco establishes no precedent; 2) changing military circumstances have influenced opening, closing and shifting of US bases; 3) France's responsibilities for security of Mediterranean and Eastern Europe enhance Bizerte's strategic importance and do not permit withdrawal; and 4) massive use of nuclear weapons in war is not foregone conclusion and Bizerte therefore retains "classical" importance.

FORM FB-301
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MR. R.F. 322-1

By [Signature]

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4. Panama Warned On Pressure Tactics - We have informed Harrington it must be made clear to Panama we will be in no position for some time to make substantive reply to Panama's note requesting its flag be flown in Canal Zone. We pointed out flag-flying also has become emotional issue in US. Panamanian Government must be made fully aware its duty is to inform its citizens of this fact and work toward calming mounting tension. Stage now being set whereby any favorable US action would appear to be taken as result of pressure and threats of mob violence. This situation will make it difficult, if not impossible, for US even to carry out contemplated policy revisions. Harrington has been urged to obtain assurances guardian Matighal will make every effort to prevent any march on zone. If satisfactory assurances not received, we must prepare for another showdown.

5. UK and Turkey firm on Cyprus demands - We are encouraged by continuation of US-Cypriot talks and in circumstances believe we can add little to hopes for settlement by urging more flexibility on one side or other (PODST 155/3). Meanwhile, UK Foreign Office has confirmed to Embassy London that UK negotiator had made no commitment re reduction in sovereign areas. Foreign Office stressed it is not prepared to become involved in discussions on new basis and is determined to seek settlement within London-Zurich accords. Embassy Ankara reports Turkish Government, in policy statement February 13 to UK, Greece, Turkish representative on Cyprus and Turkish Cypriot leader said UK's base requirement of approximately 120 square miles "should and must" be promptly accepted.

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